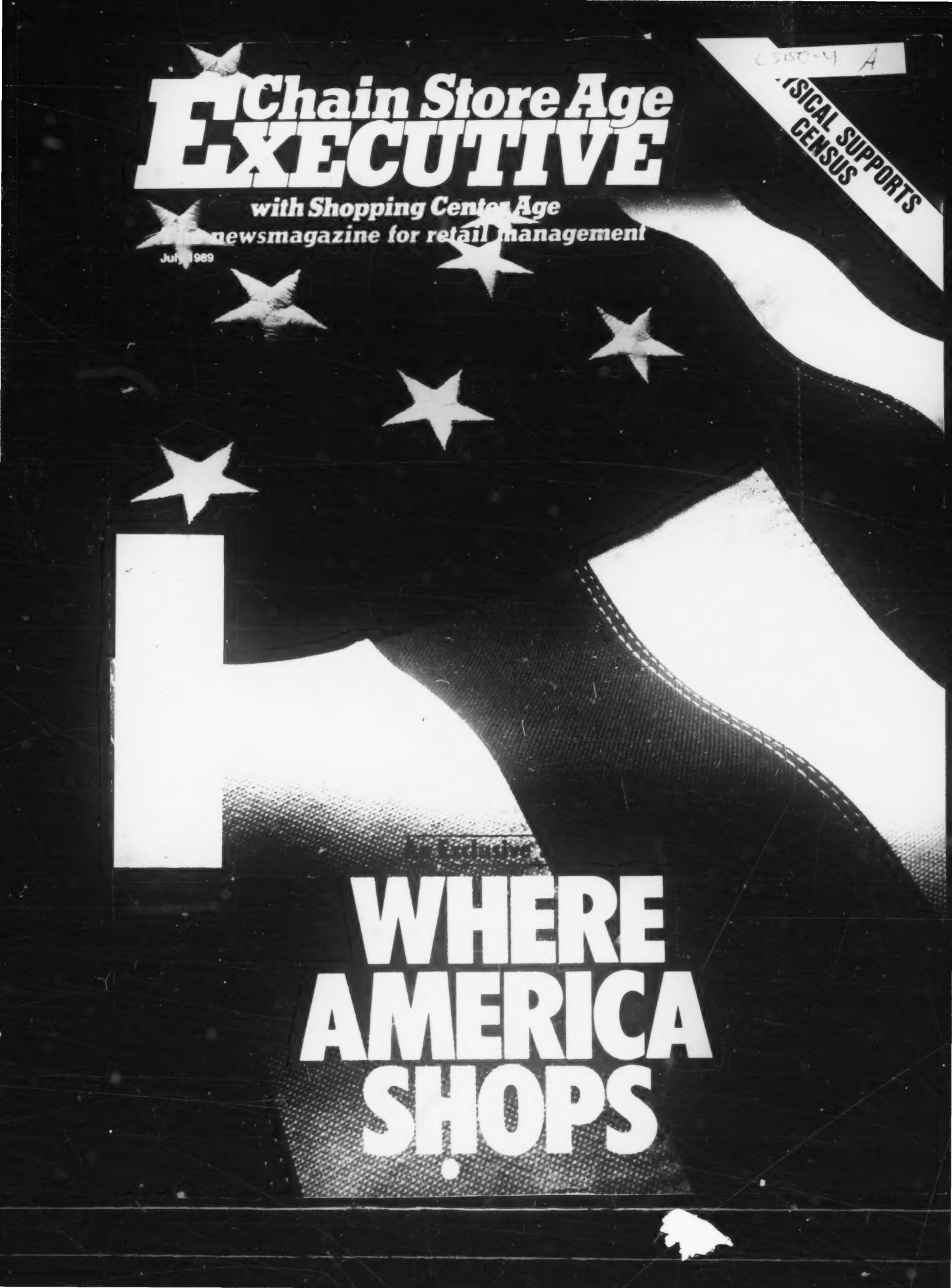
Chain Store Age
EXECUTIVE
with Shopping Center Age
newsmagazine for retail management
July 1989
ISICAL SUPPORTS
CENSUS
WHERE
AMERICA
SHOPS

Vol. 65, No. 7/July 1989

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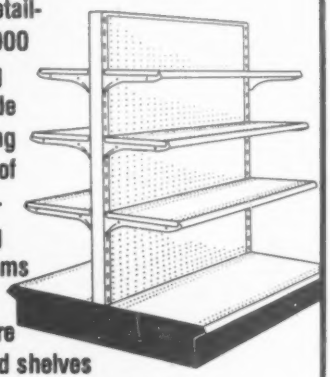

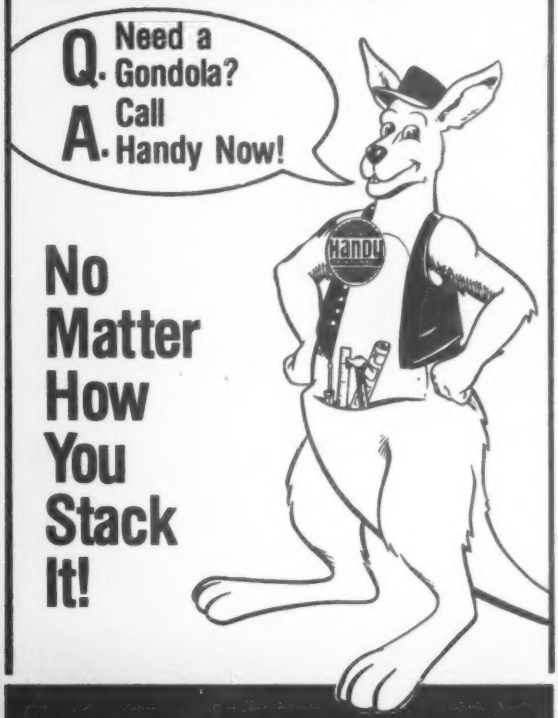

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WHERE AMERICA SHOPS

More families than ever before are shopping at discount stores. At the same time, Americans are making fewer shopping trips to virtually every other type of retail store. The reason? Discount stores simply provide the best value for shoppers' money.

These are the major conclusions of an exclusive *Chain Store Age Executive/Better Homes & Gardens* consumer study.

The mail survey questioned 389 members of the *Better Homes & Gardens* Consumer Panel, a demographically projectable nationwide sample.

The Consumer Panel mirrors all U.S. households geographically, but is slightly younger (43 years old), is more upscale (Annual income: $39,000) and is more likely to be married (83%) than American families generally.

Discount stores, reveals the survey, clearly are pulling market share away from other retail formats.

Asked to name the types of stores that provide the best value for their money, 64% of respondents in the *Chain Store Age Executive/Better Homes & Gardens* study pick discount stores.

Discount stores are the top choice for all age groups, college graduates, all income levels and every household size

Following are department stores (56%), J. C. Penney (36%), Sears (31%), off-price apparel stores (29%) and mail order catalogs (22%).

Discount stores are the top choice for all age groups, college graduates, all income levels and every household size. Both families with children and those without children pick discounters as providing the best value for their money.

Those value perceptions are changing where families choose to shop. Among the 10 retail formats in the study, only discount stores are recording a net gain in shopping trips compared to a year ago.

Almost one-third (31%) of the Consumer Panel reports that they are making more shopping trips to discount stores this year compared to a year ago.

Slightly more than half (54%) say they are buying at discounters about the same as last year. Only 14% report making fewer shopping trips to discount stores.

Virtually every demographic group measured in the study reports that the majority of its members are making more shopping trips to dis-

WHERE AMERICA SHOPS

count stores this year.

The same can not be said for the survey's big market share losers. A whopping 47% of the Consumer Panel say that they are making fewer trips to catalog showrooms this year. Only 3% are shopping the catalogers more often.

Sears, apparel specialty stores and product specialty stores record similar losses.

While 11% of the respondents say they are shopping Sears more frequently, 41% report buying at the nation's biggest retailer less often than a year ago.

(The study does not reflect any changes—if any—as a result of Sears' switch to everyday low prices in March, since the study was conducted the previous month.)

Apparel to blame? Apparel specialty stores record a 28% net loss in the survey. A shift in where Americans buy apparel, combined with a weak apparel market, could explain the survey's results.

According to Stamford, Conn.-based MRCA Information Services, 1 out of 4 apparel items sold in America now is sold through discount channels.

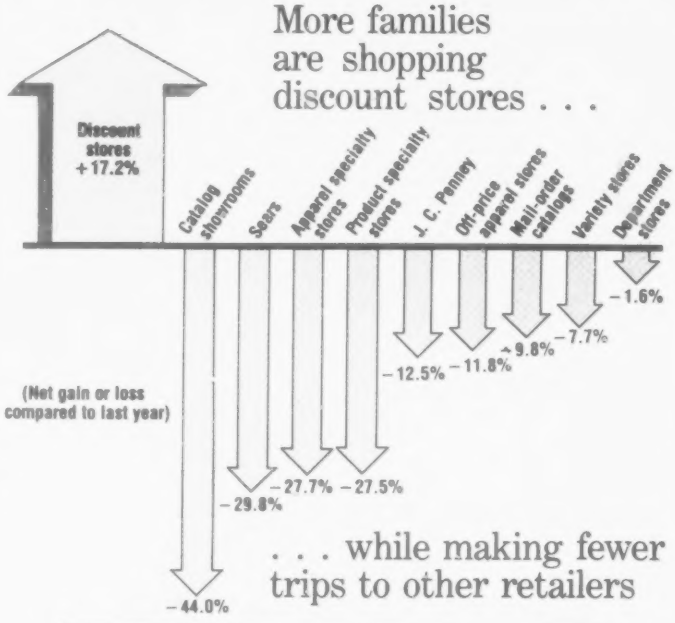
Even more astounding, 74% of Americans made an apparel purchase at one of the top 10 discount stores in the fourth quarter of 1988, says MRCA Information Services.

The top 10 discounters include: Ames, Bradlees, Caldor, Hills, K mart, Shopko, Target, Venture, Wal-Mart and Zayre.

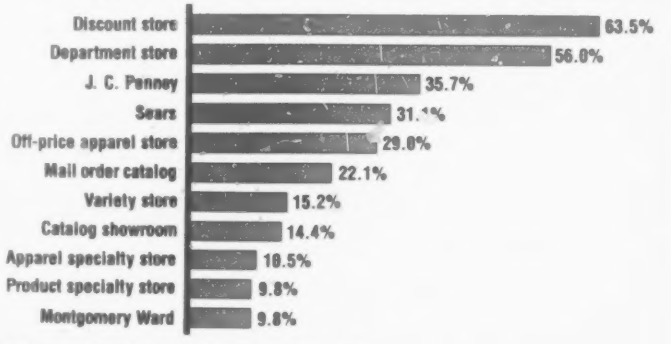
Though discount stores maintain top market share as measured by units, says MRCA Information Services, department stores retain the top position as measured by dollar sales. Taken together, department stores sell a value equal to about 25% of all apparel.

Department stores seem to be holding onto their customers—but

Customers pick discount stores for best value



What type of store offers the best value for your money?



Totals more than 100% due to multiple responses

Source: *Chain Store Age Executive/Better Homes & Gardens*

only barely. Just about the same amount of customers in the *Chain Store Age Executive/Better Homes & Gardens* survey say that they are shopping department stores more frequently this year as say they are shopping them less frequently.

Off-price apparel specialty stores, though recording fewer shopping trips in the study, do seem to be picking up some interesting new customers.

Among those most likely to shop the off-pricers this year are households with incomes more than $35,000, college graduates, and where the female family head works full-time outside the home.

Those results mirror data from MRCA Information Services, which reports that off-price apparel outlets recorded an 11% hike in apparel sales in 1988, compared to an industry average of 3%.

Quality the key: Customers report buying more merchandise on sale this year (22% say they are more likely to wait for a sale). A hefty 41% say that a product's price concerns them more than it did just a year ago.

Those most likely to express concerns about price are younger shoppers, less educated customers, and families that earn $25,000 or more annually. The same groups report waiting for sales before buying.

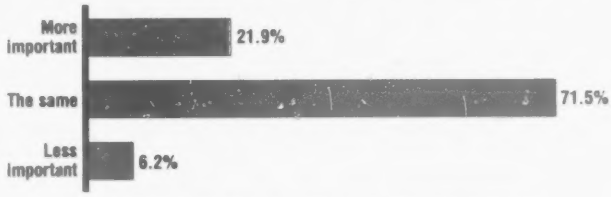
There is more than low price that attracts customers, however. Almost one-third (31%) of the Consumer Panel say that they are more willing to pay more for better products. Only 4% say they are less willing to spend more for quality.

Those most likely to pay more for something better include all age groups, but particularly those under 34 years old, college graduates, families earning more than $25,000 and households where the female head works full-time.

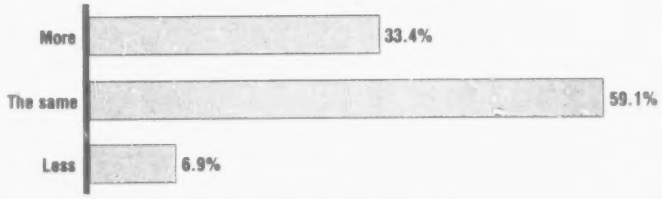
—Rick Gallagher

Customers want quality merchandise—on sale

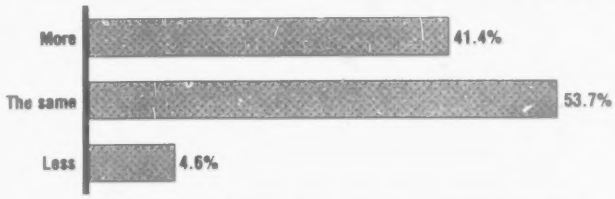
The main reason I pick a store is because it is having a sale. Compared to a year ago, this reason is:



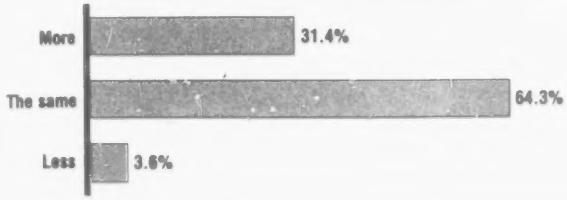
Compared to a year ago, the amount of merchandise I buy on sale is:



Compared to a year ago, a product's price concerns me:



Compared to a year ago, my willingness to pay more for better products is:



Source: *Chain Store Age Executive/Better Homes & Gardens*

STORES COST MORE

BIGGER FORMATS BOOST PRICES, STUDY REVEALS

New stores are bigger—and dramatically more expensive—than their counterparts of just a few years ago. It now costs an average $38.14 per square foot to erect a supermarket building shell—about the same that it cost to build a department store shell only three years ago. Department store building costs, meanwhile, have zoomed to a whopping $44.60 per square foot.

These are some of the conclusions of the most recent *Chain Store Age Executive* Physical Supports Census. The annual survey queries a representative national sample of retailers about the cost and longevity of physical support systems.

Across the board, retail companies in the Physical Supports Census report that building costs are recording some impressive hikes.

Compared to last year, the price for building an apparel specialty store shell has jumped 20%, from an average $26.50 per square foot in the 1988 census to $31.90 in the most recent survey.

To build a discount store shell, report retail companies in the 1989 study, it costs $25.60 per square foot, compared to $22.90 a year ago, or a 12% increase.

Drug, home center, supermarket and department stores are recording similar price hikes. Building a drug store shell, according to the census, now costs $30.80 per square foot, compared to $29.00 in the 1988 study.

Home centers come in at $29.95 per square foot (compared to $27.60), supermarkets at $38.14 ($31.00 last year) and department stores at $44.60 ($38.20 last year).

Not only are stores getting more expensive to build, says the report, but they also are getting con-

siderably bigger. Newly-constructed drug stores, say retailers in the survey, average 19,200 sq. ft. This compares to existing drug stores that total 13,700 sq. ft.

Part of that increase undoubtedly is a reflection of strategies that include broader merchandise mixes. Also, the rapid growth of deep discount drug outlets, which usually operate larger-scale formats, is reflected in this year's figures.

Discount and home center retailers are building bigger stores, too. The average discount store already in operation measures 74,164 sq. ft., say respondents in the census. Discount stores built in the past year measure a significantly larger 83,788 sq. ft.

As more discounters experiment with formats that include food retailing, for example, the new merchandise schemes require bigger stores. Wal-Mart's Supercenters, for example, measure 95,000-158,000 sq. ft., compared to the typical 60,000-sq.-ft. traditional Wal-Mart.

Changing merchandising strategies at home centers is having a similar effect in that retail arena. Newly-erected home centers, according to the survey, total 56,800 sq. ft. Older stores measure a more modest 44,700 sq. ft.

The change most likely is attributable to the continuing trend in the home center industry away from "lumber and nails" merchandise strategies to those that emphasize "do-it-yourself" home improvement and even home fashion.

Smaller, but not cheaper: The trend to bigger stores, however, does not cross all retail formats. Apparel specialty stores in this year's Physical Supports Census report that new units are slightly smaller than existing stores (3,800 sq. ft., compared to 3,900 sq. ft.).

Newly-constructed department stores are smaller than the *grande dames* of the past. Stores opened last year averaged 146,000 sq. ft., compared to 160,750 sq. ft. for existing stores.

Supermarkets that debuted last year were slightly smaller (51,400 sq. ft.) than their sister stores already in operation (52,644 sq. ft.).

Regardless of size, building a new store this year is simply a more expensive exercise than it was a year ago. Construction-cost inflation as reported in the study clearly is outpacing retailer's profit or sales gains.

In 1988 retailers questioned in the Physical Supports Census reported that a department store shell cost an average $4.2 million to erect. This year, they report a $6.5 million price tag, despite the smaller average size of the stores getting built.

The average supermarket shell cost $1.2 million to build in last year's study. In the most recent survey, the price has jumped to $2 million.

Similar price hikes are reported across the board. The average discount store shell came in at $1.6 million in the 1988 census. This year, it cost $2.1 million to erect a new discount store shell.

Home center shells, according to the study, cost nearly $900,000 last year. In the 1989 census the figure jumped to $1.7 million.

Drug stores, in contrast, are the only retail category reporting that their average construction costs were unchanged. ■

Apparel Specialty

Existing stores (average gross sq. ft.): 3,900 sq. ft.
Existing stores (average selling space): 3,500 sq. ft.
Stores opened 1988 (average gross sq. ft.): 3,800 sq. ft.
Stores opened 1988 (average selling space): 3,420 sq. ft.
Cost to erect building shell 1988: $31.90 per square foot

Source: *Chain Store Age Executive* research

Department

Existing stores (average gross sq. ft.): 160,750 sq. ft.
Existing stores (average selling space): 130,200 sq. ft.
Stores opened 1988 (average gross sq. ft.): 146,000 sq. ft.
Stores opened 1988 (average selling space): 120,000 sq. ft.
Cost to erect building shell 1988: $44.60 per square foot

Source: *Chain Store Age Executive* research

Discount

Existing stores (average gross sq. ft.): 74,164 sq. ft.
Existing stores (average selling space): 54,000 sq. ft.
Stores opened 1988 (average gross sq. ft.): 83,788 sq. ft.
Stores opened 1988 (average selling space): 67,870 sq. ft.
Cost to erect building shell 1988: $25.60 per square foot

Source: *Chain Store Age Executive* research

Drug

Existing stores (average gross sq. ft.): 13,700 sq. ft.
Existing stores (average selling space): 10,900 sq. ft.
Stores opened 1988 (average gross sq. ft.): 19,200 sq. ft.
Stores opened 1988 (average selling space): 15,900 sq. ft.
Cost to erect building shell 1988: $30.80 per square foot

Source: *Chain Store Age Executive* research

Home Center

Existing stores (average gross sq. ft.): 44,700 sq. ft.
Existing stores (average selling space): 40,250 sq. ft.
Stores opened 1988 (average gross sq. ft.): 56,800 sq. ft.
Stores opened 1988 (average selling space): 46,000 sq. ft.
Cost to erect building shell 1988: $29.95 per square foot

Source: *Chain Store Age Executive* research

Supermarket

Existing stores (average gross sq. ft.): 52,644 sq. ft.
Existing stores (average selling space): 44,700 sq. ft.
Stores opened 1988 (average gross sq. ft.): 51,400 sq. ft.
Stores opened 1988 (average selling space): 49,953 sq. ft.
Cost to erect building shell 1988: $38.14 per square foot

Source: *Chain Store Age Executive* research

LIGHTING COSTS CUT: IT'S ALL DONE WITH MIRRORS

REFLECTOR MATERIAL SHOWS SHINING RESULTS IN HALLMARK STORES

For David Stone, saving money on lighting is being done with mirrors—literally. The owner of five David Stone Hallmarks in the Rockford, Ill., area, Stone has cut lighting costs dramatically with the use of Specular+, a mirror-like reflector material.

The material is made by Pre-Finish Metals, based in Elk Grove Village, Ill. The firm is a subsidiary of Material Sciences Corp.

Most fluorescent reflectors use white painted metal to increase light levels. However, the paint absorbs a substantial portion of the light (as much as 30%-40%) as heat, and distributes the remaining light over a larger area.

Specular+, its manufacturers claim, acts as an "energy mirror," offering 95% total reflectivity. As a result, more light is obtained with fewer fixtures.

"It just made sense [to try Specular+]," says Stone, owner of five David Stone's Hallmark stores in the Rockford, Ill., area. Stone installed the fixtures in one store as a test.

"We tried it in one store, and it worked. The savings projections were right on the button," he says.

As a result, another store received the Specular+ fixtures. "The wattage used at one store was down 33%, and the other 34%," Stone adds.

To Stone, the light seems slightly dimmer. "You just sense it. But when we put the light meters on, levels fell well within Hallmark's recommended levels."

Besides increased reflectivity, Specular+ offers greater control of where the light is focused. More light can be focused where it is needed, and less is wasted illuminating the ceilings.

"If you want to focus it straight downward, you can. If you want it more spread out, that's also possible," says Russ Eikerd, national accounts manager at Pre-Finish Metals.

Re-directed light: "There's no question that you won't have as much light on the ceilings. But is it important [to have it there]?," asks Eikerd. "We're suggesting an improvement in the functional quantity of light reflected."

As a result, he says, air conditioning costs also shrink, as fewer lights produce less heat and require less air conditioning.

Since the system has been in place only a few months, Stone is less certain about the company's claim to HVAC savings, adding that the summer will give him a better chance to evaluate HVAC savings.

"What's most important is the saving on straight electrical use. Anything else you save is frosting on the cake," Stone says.

It may be more than that. Eikerd says that the smaller amount of heat means that electrical components may last longer. "A cooler fixture will last longer. We can double the life of a ballast," Eikerd says.

The system also frees up electrical panel capacity, as fewer lights and ballasts are used to produce the same amount of light. Installation of the material may qualify a store for a utility company rebate.

While the quantity of light distributed is similar, according to Eikerd, the quality is improved. He notes that Specular+ enhances color contrast while reducing glare by selectively removing certain short wavelengths of blue light. However, color balance is maintained. Eikerd compares the effect to that of "a good pair of sunglasses."

Specular+ manages to do all this thanks to a combination of two advanced technologies. The first, continuous wide-web sputtering, deposits a layer of pure silver onto a thin plastic film sheet. The second, coil

David Stone's Hallmark's test of Specular+ led to further installations

Cost per square foot for interior lighting

	Discount %	Drug %	Supermarket %	Department %	Home Center %	Apparel Specialty %
Less than $.10	—	—	—	—	—	—
$0.15-$0.25	—	—	—	—	—	—
$0.26-$0.50	20	25	12.5	—	33.3	10
$0.51-$0.75	—	—	—	—	—	10
$0.76-$1.00	20	25	—	—	33.3	10
$1.01-$2.00	60	20	50.0	66.6	—	50
More than $2.00	—	25	37.5	33.3	33.3	20
Don't know/no answer	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

Lifespan for interior lighting

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
5 years or less	—	—	—	—	—	50
6-10 years	33.3	57.1	40	33.3	25	25
11-15 years	—	—	20	33.3	50	—
16-20 years	66.6	28.6	30	33.3	—	25
21-29 years	—	14.3	—	—	—	—
30 years or more	—	—	—	—	—	—
Lifetime/permanent/ don't replace	—	—	10	—	25	—
As needed/required	—	—	—	—	—	—
Don't know/can't estimate	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

coating, coats the silver reflective film onto continuous rolls of coiled metal.

Quick payback: The average cost of replacing a standard 2 ft. by 4 ft. fluorescent fixture with Specular+ is about $45-$60 per fixture. The firm estimates that a typical company can recoup its investment in two years or less.

Checking a recent electric bill, Stone notes that his 5,000-sq.-ft. store used 242.3 kilowatts of electricity one month last year. One year later, he used 161.1 kilowatts.

Such savings, he estimates, will result in a payback period of 12-14 months.

Other ancillary costs are also reduced, the company claims. Fewer lights and ballasts mean lower maintenance costs. In addition, Eikerd says, the fixtures are extremely easy to replace.

"Many reflectors are installed with wing nuts. Ours, however, are installed with a plastic turnkey. Without any tools, someone can open up the fixture, twist a couple of keys and have the reflector in his hand," Eikerd says.

He says that Specular+ is easy to clean, requiring only a feather duster or mild household detergent. Accelerated aging tests show that Specular+ should last at least 10 years, says Eikerd.

This exceeds the performance of white paint reflectors, which Eikerd says suffer from a neglect problem.

"No one repaints them, no one cleans them. The biggest problem is getting people to care about their fixtures," he says.

Stone cared, and is "satisfied" with the result. ■

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CODA: FACTORY-STYLE FASHION

CONCEPT FEATURES INDUSTRIAL-STRENGTH DECOR

The music rocks, the clothing is hip, and the decor is decidedly different from most other retail formats. Coda, a new young men's specialty apparel chain, features the latest fashions in a factory-type setting.

"Coda is targeted at 16- to 30-year old males who are fashion-conscious and brand-conscious," says Mike Romick, assistant marketing director of Coda, a division of St. Louis-based Edison Bros.

"The store is designed as a cross between an old factory and a warehouse. It has a very urban feel to it."

Coda's design concept was created in-house by Walt Liebert, vp, director of marketing, Edison Men's Wear Group; Ron Bradley, assistant vp, director of construction, Edison Men's Wear Group; and Paul Eisen, vp, general merchandise manager, Coda.

The chain's unusual name has musical roots. By definition, a coda is a final passage in music.

"It also means to repeat, or go back to the beginning," explains Romick.

"Hopefully, that's what our customers will do by returning to Coda to shop."

The seven-unit chain is barely a year old. Stores, which average 2,500-3,500 sq. ft., are located in enclosed malls.

"We opened our first store last August in Chicago," Romick says.

"We hope to have a total of 15 to 20 units by the end of this year, with a bigger store rollout planned for 1990."

Factory atmosphere: Coda stores are distinguished by their unusual warehouse/factory environment. The look does not come easy—or cheap.

"It's a very complicated store to put together," admits Romick.

"We went all out with the design concept, starting from the moment the customer walks in the front door. Everything in the store, from the flooring to the ceiling, contributes to the overall effect."

The storefront is designed to resemble a factory entrance. It is made of structural aluminum and manufactured by Omaha-based Omaha Fixture Manufacturing.

Omaha manufactures most of the store's specialty fixturing (including its fitting rooms, the interior columns and the cash wraps). Coda's front windows are made from wire-meshed glass.

"The store looks like a refurbished factory," explains Dan Gould, operations manager, Omaha Fixtures.

The factory-like ambience is particularly evident inside the store. Industrial lights hang from the high exposed ceiling.

"The open ceiling enhances the overall design," adds Coda's Mike Romick. "It also makes for a very dramatic look."

The store's interior columns are made of I-beams, similar to the type found in many old factories.

Among the specialty fixtures used to enhance Coda's industrial atmosphere is a black wrought-iron spiral staircase.

Other props include a set of two pulleys hanging from the ceiling. They suspend a mannequin in mid-air.

One of the more interesting aspects of the design is a catwalk that lines the rim of one side of the store.

Black wrought-iron staircase *and catwalk reinforce Coda's factory atmosphere*

Cost per square foot for fixtures

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Less than $3.00	10	—	—	33.3	—	25
$3.01-$6.00	20	16.7	—	33.3	66.6	50
$6.01-$9.00	40	50.0	12.5	—	—	—
$9.01-$12.00	20	—	12.5	33.3	—	—
$12.01-$15.00	10	16.7	—	—	—	—
More than $15.00	—	16.7	75.0	—	—	—
Don't know/no answer	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

Types of fixtures used

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Small racks for accessories	66.6	42.9	54.5	100.0	25	100
Large racks for apparel	66.6	14.3	27.3	100.0	25	100
Showcases	66.6	100.0	81.8	100.0	50	75
Glass cubes	33.3	28.6	9.1	100.0	25	25
Gondolas	66.6	100.0	100.0	100.0	100	25
Shelving	100.0	100.0	100.0	100.0	100	75
Tables	66.6	42.9	81.8	66.6	50	75
Wall display units	100.0	85.7	81.8	100.0	50	100
All other mentions	33.3	14.3	54.1	—	25	25

Source: *Chain Store Age Executive* research

Lifespan for fixtures

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
5 years or less	10	—	—	—	—	50
6-10 years	60	62.5	63.6	50	33.3	50
11-15 years	20	25.0	36.3	50	66.6	—
16-20 years	—	12.5	—	—	—	—
Lifetime/permanent/ don't replace	—	—	—	—	—	—
As needed/required 10	—	—	—	—	—	—
Don't know/can't estimate	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

"Coda uses the catwalk to display mannequins, cinderblocks and other props," explains Omaha's Gould.

Finishing touches: Special materials and finishes also lend to the ambience.

The fitting rooms are made of steel dock plate which has a heavy industrial look.

The back portion of the store is designed to look like a crumbling brick wall. The store name is emblazoned across the wall in large, graffiti-type lettering.

"We used a heavy stucco finish on the top half of the wall to make it appear as if the wall is crumbling apart," explains Gould.

"The same look is carried through around the cash wraps."

Concrete flooring and cement cinderblock walls add to the atmosphere. A black and yellow safety strip on the floor designates the traffic flow.

"We took great care to see that everything looks authentic," adds Coda's Mike Romick.

"We even stained the parquet floor in the back of the store with a black wood wash."

Stylish apparel: Coda merchandise consists of stylishly casual and formal apparel. Although the chain carries private label merchandise, it is much more brand-oriented than Edison's other men's wear stores.

"We have found that our target customer is brand-conscious," explains Romick.

"As a result, Coda is also moving in that direction."

Customer reaction to the new chain has been enthusiastic, Romick says. He credits Coda's unusual design for a large part of its success.

"The early results are very good," Romick says.

"We pulled out all the stops with Coda. The result is a shopping experience that's totally different from anything else out there." ■

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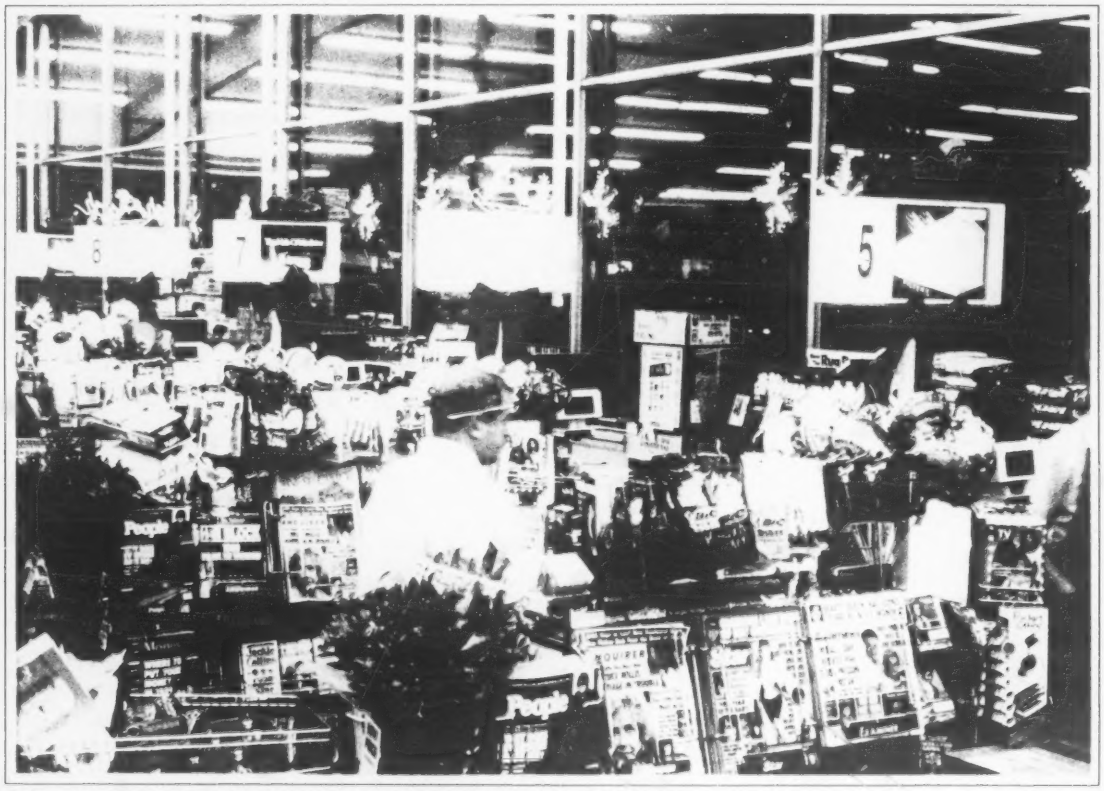


***Safeway store uses SuperAd** to mark checkout aisles while also providing an additional source of income*

SUPERMARKETS MOUNT ADS AT CHECKOUT

ILLUMINATED SIGNS COMBINE AISLE NUMBERS AND PRODUCT INFO

Just when it seemed that every available inch of space in a supermarket was covered with some form of advertising or promotion, marketers have discovered uncharted territory.

Beyond the walls, shelves, windows and shopping carts, the last frontier for display advertising in a supermarket until now has been the checkout lane. Even this space soon will provide a target for sales-conscious vendors.

In thousands of stores across the country, the area just above the eye level of every paying customer will be invaded by a small lighted fixture called SuperAd.

This small beacon is a concept its creators hope will successfully replace the common aisle-number cube and revolutionize traditional theories of ad placement in stores.

The unit, developed by New York firm MediaOne and designed by graphic artist Milton Glaser, measures 10 in. by 23 in. and stands atop a 6-ft. pole.

SuperAd provides space for two ads, and is back-lit. Each unit has a slot on the top for express lane signs, which are included in the package.

Although the ad space remains constantly lit, the light for the number area can be flipped on or off from a switch at the base of the unit, alerting shoppers to the open registers. The light also flashes to notify managers when a cashier needs help.

The store receives the unit free, while the advertisers pay on a four-week cycle. Stores receive 25% of net advertising revenues. Advertisers can purchase the space nationally, regionally or in specific markets.

Presently, R.J. Reynolds, Nabisco, Lever Bros. and Colgate have signed on for a trial run.

The units are maintained and serviced by Donnelley Marketing Services, a Dun & Bradstreet company. The copy changes every four weeks, with the ads rotating closer to the express lanes.

A number of supermarket chains already have installed the units or are in the process. Kroger has installed the units in 100 of its stores, approximately 10 per store. Winn-Dixie also has committed to large-scale installation, as have Safeway, Bi-Lo and Food Lion.

The units can be custom-colored to suit the store. For example, in Winn-Dixie locations, the unit will be red; in ABCO, the Phoenix-based chain, burgundy and white.

Verdict out: But the jury has yet to decide on the effectiveness of running advertising at the checkout stand. Will it pay to try to attract consumers at the end of their shopping

Cost per square foot for interior signage

	Discount %	Drug %	Supermarket %	Department %	Home Center %	Apparel Specialty %
Less than $.10	15	25.0	12.5	—	—	30
$0.10-$0.14	—	—	—	25.0	—	50
$0.15-$0.25	20	—	12.5	12.5	33.3	20
$0.26-$0.50	50	25.0	25.0	12.5	33.3	—
$0.51-$0.75	15	12.5	37.5	—	—	—
$0.76-$1.00	—	25.0	—	50.0	—	—
$1.01-$2.00	—	12.5	12.5	—	—	—
More than $2.00	—	—	—	—	33.3	—
Don't know/no answer	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

Lifespan for interior signage

	Discount %	Drug %	Supermarket %	Department %	Home Center %	Apparel Specialty %
5 years or less	66.6	16.7	30	50	50	75
6-10 years	33.3	66.6	50	20	30	25
11-15 years	—	—	20	—	—	—
16-20 years	—	—	—	—	—	—
Lifetime/permanent/ don't replace	—	16.7	—	—	—	—
As needed/required	—	—	—	30	—	—
Don't have it/don't use it	—	—	—	—	—	—
Don't know/can't estimate	—	—	—	—	20	—

Source: *Chain Store Age Executive* research

trips?

"We've never had any advertisements at the checkout," says Mickey Clerc, Winn-Dixie, adding that it is too early to quote results.

Management, still somewhat skeptical, holds the final approval on determining which products are advertised.

"Right now we are approving only items that won't have a negative effect on our customers," he says.

Ten SuperAd displays were installed in a Market Basket in Hawthorne, Calif., four months ago.

While store manager Ralph Ruehlen likes the units, he admits that their impact on sales is hard to quantify. "It's hard to determine what effect they are having," he says.

"It gives the store an updated, more modern look," he says. "We've had the square box look for about a thousand years. These are a good change for the supermarket industry."

Although it is too early to gather sufficient sales results, Colgate recently discovered that sales of Irish Spring increased by more than 16% in test stores.

Colgate does not reveal, however, whether bath soaps as a category are experiencing similar gains. SuperAd, like other in-store promotional gimmicks, might prove better in changing customer brand choices than in spurring additional sales.

Its major benefit to food retailers might prove to be as a source of additional revenue from consumer product companies eager to make one last sales pitch to customers as they shop.

"Marketers are beginning to recognize the importance and effectiveness of in-store advertising where they can deliver the last message before the buying decision," says Fred Dallal, president of MediaOne.

According to Dallal, the average store has 10 checkout lanes. By installing the SuperAd units, vendors supply 20 ad faces, each an opportunity to nab a sale.

"The average shopper, during a 50-minute trip, makes six passes through the main aisle of a supermarket," Dallal continues.

"At the same time the average checkout is seven to eight minutes long. Shoppers become a captive audience while they are checking out," he says.

The original gray-toned test models installed at the Los Angeles area Market Basket will be exchanged soon for new units with a chrome metal stand. Otherwise, they have been successful enough to remain unchanged.

"They can't help but have some effect. This is a high volume store, and there are lines," Ruehlen says. "With the same people seeing the units over and over again, it can't help but have some effect."

While the units themselves have not been singled out as a reason for a different look, Ruehlen claims his customers ask: "What have you done? The store looks different." ■

—Mary Lee Shalvoy

SINGLE-PLY SUITS SMITH'S STORES

SUPERMARKETER INSTALLS SYSTEM IN 60 STORES

Salt Lake City-based Smith's Food and Drug Centers was typical. Despite some problems, the chain continued to use Inverted Roof Membrane Assembly (IRMA) roofing on all of its stores—and for good reason.

The decision to change the type of roofing a retailer uses often is more serious—and usually much more expensive—than deciding to redecorate a store interior or redo signage. For this reason, stores tend to stick with one kind of roofing for a long time.

In 1985, however, Smith's decided to switch to Hi-Tuff, a single-membrane roofing. Since then, the 91-store grocery chain has put up more than 60 stores with the new roofs and has not looked back.

Before it began using Hi-Tuff, Smith's stores were roofed exclusively in the IRMA BUR, which has its insulation on the top side of the roof plane.

This construction made for difficult repairs and installation, as well as restricting the time of year that construction could take place.

"All types of insulation are good for insulating, but Hi-Tuff is easier to install and repair," says Jonathan Ramrass, director of store planning for

Smith's.

Hi-Tuff is created with the insulation underneath the roof plane. Leaks can be more easily located and repaired, Ramrass says.

Roofing contractors, meanwhile, can install the insulation as well as the roofing, saving both time and expense.

Repairs are easier when a store's insulation is on the inside of the structure because leaks are easier to find and patch, he says.

Before it switched to Hi-Tuff, Smith's was experiencing some trouble with its ballasted roofing.

The BUR-type of roof performed reasonably well in mild weather, but it was not cost-effective to install and repair.

Because the BUR is made of heated asphalt, it can not be installed during the winter months, which presented a problem for Smith's which prefers to open stores year-round.

This caused construction delays, because Smith's likes to put its roofs up before developing the interior of a new store.

"Problems with BUR roofs were generally inconvenient more than catastrophic," says John Lewis, field architect/engineer, for Smith's.

"In Utah, for instance, where temperatures can drop to five degrees Fahrenheit, the heated asphalt was impossible to install in winter," he says.

Smith's solution: To rectify the situation, the chain started to use Hi-Tuff. Hi-Tuff is a product of Stevens Roofing System, a division of JPS Elastomerics, based in Northhampton, Mass.

Lewis says that the Hi-Tuff roofing represented a low-cost, long-lasting roof that would reflect the sun and was easy to install.

It is based on DuPont's Hypalon chlorosulphonated polyethylene (CSPE) synthetic rubber. It is a lightweight, scrim-reinforced, single-ply membrane substance.

Scrim-reinforced means that there is a layer of rubber material that is poured over the nylon meshing of the roofing to make it more durable.

The way the Hi-Tuff is installed was a convincing factor in Smith's decision to switch from its current roofing to Hi-Tuff.

Hi-Tuff is mechanically fastened in place rather than ballasted, and its seams are hot-air welded. The membrane also offers thermal protection and solar resistance.

"In effect," Lewis says, "we were able to shrink-wrap the entire roof using Hi-Tuff so that any wall, penetration, parapet or piece of flashing was covered."

Lewis says that the Hi-Tuff roofing is reliable and backed by Stevens' warranty as well as Underwriter's Laboratories (UL) testing.

Hi-Tuff meets Factory Mutual's I-90 wind uplift test requirements and is rated Class A by UL for its external resistance to fire.

Because the entire roof was shrink-wrapped in Hi-Tuff, the store could mend the roof easily and everything is covered under the Stevens warranty.

This is a change, Lewis says, from the old days when leaks were difficult to locate and a lot of finger pointing took place for the blame.

"With the BUR roofing, a maintenance man could search hours and still not find the water source," Lewis explains.

***Smith's Food and Drug** switched to single-ply membrane roofing system*

Cost per square foot for roofing

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Less than $.50	—	—	—	—	—	—
$0.50-$1.00	—	10	—	—	30	—
$1.01-$2.50	60	60	50	40	60	60
$2.51-$5.00	30	20	25	60	—	—
More than $5.00	—	—	25	—	—	—
Don't know/no answer	10	10	—	—	10	40

Source: *Chain Store Age Executive* research

Lifespan for roofing

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
5 years or less	—	—	—	—	—	—
6-10 years	—	14.3	—	—	—	—
11-15 years	33.3	42.8	9.1	20	33.3	80
16-20 years	66.6	28.6	63.6	60	66.6	—
21-29 years	—	—	—	—	—	—
30 years or more	—	—	—	—	—	—
Don't know/never replaced	—	—	—	—	—	—
Don't know/can't estimate	—	—	—	20	—	20

Source: *Chain Store Age Executive* research

Types of roofing used

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Single-ply membrane	66.6	100.0	100.0	100.0	75	33.3
BUR (Built-up roof)	66.6	83.3	81.8	66.6	75	33.3
Metal	33.3	16.6	27.3	—	75	—
Fabric	—	—	—	15.0	—	—
Other	—	—	—	33.3	—	33.3

Source: *Chain Store Age Executive* research

"Sometimes, water damaged the roof decking or stained the ceiling above a store, and many times we didn't know whether the BUR or the installer was at fault. Now there is only one line of responsibility and one person to call if there is a leak," he says.

Because Hi-Tuff is under the roof plane, it can be more easily and quickly repaired.

"The Hi-Tuff roofing is easier to fix," Ramrass explains, "because you can go up and glue a patch on the roof, like repairing a rubber tire."

Some of these characteristics would apply to any single-ply membrane, Ramrass adds, but Smith's found that Hi-Tuff fits its scheduling. The company has gotten materials on the job site when needed and done quick installation.

Hi-Tuff does stand out from some other single-ply roofing because of its resistance to tears and deterioration due to animal fats coming from the supermarket.

"The reinforced scrim makes the roof more tear-resistant, and in our operations we have roof vents in deli and meats. Animal fat would break down certain other roofing products," Ramrass explains.

From an economic standpoint the Hi-Tuff roofing is also an improvement, says Ramrass.

Because the Hi-Tuff substance is a simpler system than the other roofs, it is "significantly" less expensive, says Ramrass.

Installation benefits: The roofing is installed mechanically, rather than ballasted. What this means is that it is attached with long screws into the metal roofing deck.

Stevens provides the stores with different spacing of the screws according to wind conditions in the particular area of the store.

Because the roof is simple, it can be installed more quickly than other types of roofing.

Ramrass says that the average amount of time for a Hi-Tuff installation is 10 days to two weeks. However, a roof made up of Hi-Tuff was once put on in as little as one week.

The first Hi-Tuff roof was put on the Smith's store in Taos, N.M. Smith's had been planning to use traditional BUR roofing for the job, but changed its tack once the contractor, Redd Construction of Ogden, Utah, outlined the merits of the roofing. The 68,600-sq.-ft. job took approximately two weeks.

One of the selling points for Smith's was that Hi-Tuff can be installed in all types of weather.

After the Taos installation, Smith decided to use Hi-Tuff in all of its new stores and reroofing jobs.

Smith has put up 53 Hi-Tuff roofs since 1985, including one 60,000-sq.-ft. store built in Layton, Utah, in the middle of winter. ■

PLAN FOCUSES ON CONTROL

DRUG EMPORIUM WATCHES COSTS AND QUALITY

When the people at Drug Emporium, Worthington, Ohio sat down to design a floor maintenance program for the chain's 177 stores, they knew they needed a flexible plan.

Since two-thirds of the outlets are franchises, the approach to floor maintenance varies greatly. The thrust of the new program shifted floor maintenance in-house.

The program that 50 stores now use in is a combination plan from Racine, Wis.-based Johnson Wax and Advance Machine, Plymouth, Minn. The program is based on Johnson's Pronto floor finish and Snap Back ultra high speed (UHS) restorer.

The two machines from Advance are a 1500 RPM rotary burnisher and a 26-in. automatic scrubber, a battery-operated machine.

Drug Emporium's director of store planning, Jim Cline, says that the goal of the program was to bring down the cost of floor maintenance and to control the quality of the floor cleaning products throughout its stores.

The chain, Cline says, has experienced a one-third cost savings in stores testing the plan. Cline attributes the savings to the use of less-expensive in-house maintenance personnel instead of a third-party company.

Another goal of the plan was to reinstitute traditional cleaning techniques. "There was a real craze through the 70's and early 80's to do burnishing, and people forgot how to clean floors; they were burnishing in the dirt," Cline says.

Cost per square foot for flooring maintenance

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Less than $.10	20	—	50	1	10	10
$0.10-$0.14	15	—	25	1	10	40
$0.15-$0.25	10	66.6	25	—	10	40
$0.26-$0.50	25	—	—	4	40	—
$0.51-$0.75	—	33.3	—	—	30	10
$0.76-$1.00	—	—	—	—	—	—
$1.01-$2.00	—	—	—	—	—	—
More than $2.00	—	—	—	—	—	—
Individual store handles it	30	—	—	—	—	—
All other mentions	—	—	—	—	—	—
Don't know/no answer	—	—	—	40	—	—

Source: *Chain Store Age Executive* research

Lifespan for flooring maintenance contracts

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
5 years or less	20	65	66.6	—	30	50
6-10 years	20	25	33.3	70.0	30	—
11-15 years	—	—	—	—	—	50
16-20 years	—	—	—	—	—	—
Lifetime/permanent/ don't replace	—	—	11.1	33.3	—	—
As needed/required	30	—	—	10.0	—	—
Mall or outside supplier handles	30	10	—	20.0	—	—
Don't know/can't estimate	—	—	—	—	40	—

Source: *Chain Store Age Executive research*

Cline says the Johnson/Advance program ensures that the stores are using reputable products and machines. He also says that the combination of products and machines being offered in the plan allows each store to determine how much shine it wants.

"A lot of stores like high gloss floors, others don't. With this combination, they can burnish to whatever gloss they want," Cline explains.

Johnson provides all Drug Emporium stores in the program with support. This includes video and audio training and maintenance information. In addition, the firm provides Drug Emporium corporate with data on all of the chemicals used in its stores. Drug Emporium, in turn, distributes all of this to its outlets.

Stores are required by law to have information on the premises about the contents of all hazardous chemicals being used. Johnson updates the stores periodically when legislation governing this area changes.

"Without a reliable company a retailer does not know its liability," Cline adds.

The national support available from both manufacturers is also very important to Cline. In addition to the training and availability of product, maintenance is also important.

"It is very important to use national account back-up, to be able to have a one-source contact for equipment ordering and service," Cline says.

More control: One example of this is a local dealer maintenance program that Advance has established for Drug Emporium stores.

Before the plan was implemented Drug Emporium stores had a variety of methods of floor maintenance throughout the chain.

Because a large portion of the stores are independent franchises, the corporation had little control over the machines or products used.

With the new program, begun 18 months ago, there is a lot more consistency.

Each store, however, still carves out its own way of implementing the plan within the guidelines of the program.

In some cases, stores buy only the chemicals. This is fine with Drug Emporium, Cline says, because the chain is content knowing that quality chemicals are being used.

"Johnson has a variety of products, and stores need to be able to choose if they want a heavy stripper or a light stripper," says Cline.

Using a large company like Johnson allows the chain to give the stores a choice without having to develop a floor maintenance program for each region.

Another way in which stores can exercise their independence is through labor.

For example, stores may decide to use an outside labor company for floor maintenance.

Cline says that the chain understands how important service is and how difficult good service is to find. Although there are a lot of talented floor maintenance workers, they are hard to train and to keep in-house, according to Cline.

"If a store is happy with the service it is getting, they can buy only the chemicals," Cline explains. "We want to make sure that they are using the proper chemicals."

In one instance a group of stores hired a crew that travels from store to store.

For the stores using in-house people, Drug Emporium recommends getting store managers interested in the job. The employees are most often taken from the receiving department or from some other area in the rear of the store.

In other instances, a person is hired specifically to perform the floor maintenance tasks.

Johnson Wax contacted Drug Emporium about its program. Before the test had been completed in the three test sites, other store managers were asking to be enrolled in the program, according to Cline.

At this point 25 more stores were added. Cline says that more stores will join the program this year.

His ultimate goal, however, is not to put all stores on the program, unless it is appropriate.

"I will put the program where it is needed. I won't force it into every area of the country. Some stores have successful floor programs they are happy with," Cline explains. ■

QUALITY, STYLE AT GROUND LEVEL

HOMEWORK PAYS OFF FOR FISHERS BIG WHEEL

Fishers Big Wheel believes it has found tiling and carpeting that can provide quality, easily maintained flooring at affordable prices. "We have done our homework. We could spend a lot more money on carpet and tiling, but we are getting quality, wearability and style," says Barry Miller, divisional vp-construction for the New Castle, Pa.-based discounter.

"We have found flooring that is just as good as high-priced merchandise at a lower price."

The 100-store chain uses a vinyl composite tile (VCT) from Armstrong that is easy to care for and has a lot of shine. Its carpeting, also from Armstrong, is a low-pile substance that does not show the effects of the stores' high traffic.

In the foyer area, where rain and snow can collect and cause hazards, the store chose a perforated tile that allows moisture to drain away.

The most recent outlet in which Fishers has installed these products is its 57,000-sq.-ft. store in rural Alma,

Cost per square foot for flooring

	Discount %	Drug %	Supermarket %	Department %	Home Center %	Apparel Specialty %
Less than $.50	—	—	—	—	30	—
$0.50-$1.00	50	33.3	25.0	10	20	12.5
$1.01-$2.50	50	50.0	25.0	50	50	50.0
$2.51-$5.00	—	—	37.5	40	—	25.0
$5.01-$7.50	—	—	12.5	—	—	12.5
More than $7.50	—	16.7	—	—	—	—
Don't know/no answer	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

Lifespan for flooring

	Discount %	Drug %	Supermarket %	Department %	Home Center %	Apparel Specialty %
5 years or less	—	12.5	—	10	—	75
6-10 years	33.3	62.5	60	30	33.3	25
11-15 years	33.3	12.5	10	50	66.6	—
16-20 years	33.3	—	10	10	—	—
Lifetime/permanent/ don't replace	—	12.5	20	—	—	—
Don't know/can't estimate	—	—	—	—	—	—

Source: *Chain Store Age Executive* research

Mich.

The main department of the store is covered in the Armstrong floor tile that is ⅛ in. thick. The hard lines departments features a sterling color in the VCT.

High gloss: Miller says that Fishers chose this tile because it is durable and waxes up easily.

"In the past we have used some other tiles, but what we like about the Armstrong tile is the way it cleans up. It gives a high gloss shine," Miller explains.

Color was also important. Sterling was the shade that Fishers felt fit best with the hard lines department.

The VCT tile costs $1.25 per square foot including labor. The contractor is Standard Floors, Youngstown, Ohio. Standard took approximately three days to install the tile.

In main aisles of the Alma store, Fishers chose a cool white tile with a 4-in. red border. The cool white is a plain white tile from Armstrong.

The 12-ft. wide walkway leads customers throughout the store. The border is a separate piece of tile, also from Armstrong.

The lobby of the store features a perforated tile that is similar to a rubber mat in that it allows water to drain out from below the tile. The substance, the Futura carpet tile Drydeck from USA Kendal, Naples, Fla., comes in 12 in. x 12 in. squares and is 1 in. thick.

Absorbs moisture: Miller likens the carpet to a rubber mat, adding that the lobby is constructed with a 1 in. recess to accommodate the mat. When a customer enters the store with moisture on his shoes, water and dirt are cleaned off and soak through the flooring to a drain underneath.

"Another advantage to the flooring is that if one portion of the floor rips or is damaged in some way, we can remove that square and replace it without having to redo the entire floor," Miller adds.

Futura is expensive, he concedes, to the tune of $4.30 per square foot, as compared to the average floor tile which costs approximately $1.25 per square foot.

Close to 60% of the store is covered in tiling, the rest in carpeting. Each store is responsible for installing its own carpeting.

In Alma, the store paid Standard to install carpeting from J&J Industries, Dalton, Ga., with a lower pile than it formerly used. Lower pile makes for less noticeable wear and tear, says Miller.

"We used to have a higher pile carpet, but it matted down in high traffic areas," Miller said.

Fishers uses J&J's dove color carpeting, which is a level loop, 22 oz. product, in soft goods departments. It has a jute back and is made of Anso nylon.

"We picked the level loop for durability, it wears well in high traffic and cleans up very well," Miller says.

Fishers also chose this carpeting because the dove color fits well with its decor and the low price.

The cost for the carpeting itself, without installation, is $6.50 per square yard, which is at the low end of the price spectrum.

Installation of the carpet was $2.30 per square yard by Standard.

The carpeting is laid after all of the floor tiling, other than the lobby, has been completed.

Laying of the carpeting takes approximately three days. Miller expects to get five to seven years out of the carpeting.

Fishers has left its stockroom area with concrete floors because the back is used for racks and carts only.

"Concrete basically suits our needs, and we feel that it is all that is necessary," Miller adds. ■

Types of flooring used

	Discount %	Drug %	Supermarket %	Department %	Home Center %	Apparel Specialty %
VAT	66.6	71.4	100	100.0	25	100
Hardwood	33.3	28.6	20	100.0	—	—
Terrazzo	33.3	28.6	70	100.0	25	—
Carpet	75.0	57.1	70	100.0	75	100
Quarry tile	33.3	28.6	100	100.0	25	25
Vinyl	66.6	71.4	60	100.0	50	25
Concrete	33.3	57.1	90	66.6	75	50
Marble	—	14.3	10	100.0	—	—
Ceramic tile	—	—	20	33.3	—	25
All other mentions	—	—	10	—	—	25

Source: *Chain Store Age Executive* research

CEILINGS ADD UPSCALE DRAMA

ACCESSORY LADY UPGRADES ITS IMAGE

***Accessory Lady creates** areas of interest with concealed lighting and ceiling treatments*

When Accessory Lady decided to upgrade its image and create design interest within its 100 specialty stores, it chose to do it with lighting.

The Dallas-based specialty retailer has 60 stores that are long and skinny with high ceilings, a configuration that makes it difficult to generate enough light and an interesting interior design.

Nevertheless, Melville Corp., Accessory Lady's parent company, managed to upgrade through a series of creative lighting fixtures.

Harrison, N.Y.-based Melville's charter was to upgrade the chain's image and provide lighting within an unusual space.

"We were trying to get appropriate lighting, break up the space, and add interest," says Alice Baylog, manager of design for Melville.

One of the challenges was that Accessory Lady did not want to use fluorescent lighting by itself.

In addition, the company was prohibited from using track lighting because of energy codes.

Expensive look: The chain also specified that it wanted the lighting sources to be hidden to a large degree so that they would appear decorative rather than functional.

To achieve all this, Baylog designed a glass block-look ceiling for the back of the store. This design brightened up the area, which had formerly been paneled in wood.

Less expensive than real glass block, glass block-look offers an upscale image and plenty of light.

The ceiling is made of a new product from Integrated Ceilings, a Riverside, Calif.-based division of USG Interiors.

This product comes in 2x2 panels made of acrylic. The transparencies, model #200, are a clear lateral rib.

These panels were placed into a grid from Chicago-based USG Interiors. The grid is a narrow grid made of Centricitee which is less noticeable than other grids because of its width, 9/16 of an inch.

The grid is the same color, parchment, as the panels for a decorative look.

The effect is a glass block-look lighting fixture that is lower weight and substantially lower cost than real glass block.

To install the glass block-like lighting fixture, the contractor built a curtain wall first and framed it. He then put in fake ceiling to mount a series of fluorescent lights that would help light the fixture.

The fluorescent lights were placed 18 in. below the ceiling and created all of the lighting that was necessary, Baylog says.

The glass block ceiling tiles then were placed on top of that.

The tiles are prefabricated and come in panels of eight tiles used to cover the area in the back which totals 300 sq. ft.

The grid also comes with the panels and is designed to look like a mortar joint rather than a grid.

"We wanted it to look like we spent a lot of money on a glass block ceiling," explains Baylog about the various tricks that were used in construction of the lighting fixture.

One key difference between real glass block and the Accessory Lady version is the width of the panel. The chain's version is plastic and the panels are 1 in. thick instead of 3 in. like real glass block.

Baylog says that the glass block-look ceiling is one-third the cost of the real thing.

The same glass block-look technique was used for the walls of the Accessory Lady stores.

More contemporary: In an inverted application, the glass block ceiling tiles were placed on areas built out from the walls up and down the sides of the long narrow stores.

"This technique coordinates the material in the store and creates interest," Baylog says. "It lightens up

Cost per square foot for ceilings

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Less than $.50	10	—	—	—	—	—
$0.50-$1.00	40	33.3	25.0	—	25	20
$1.01-$2.50	40	50.0	62.5	50	50	60
$2.51-$5.00	—	—	12.5	—	—	20
More than $5.00	—	16.7	—	50	—	—
Don't know/no answer	10	—	—	—	25	—

Source: *Chain Store Age Executive research*

Lifespan for ceilings

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
5 years or less	—	—	—	—	—	—
6-10 years	33.3	42.8	33.3	33.3	33.3	66.6
11-15 years	10.0	28.6	22.2	33.3	33.3	—
16-20 years	33.3	28.6	33.3	33.3	33.3	33.3
21-29 years	—	—	—	—	—	—
30 years or more	—	—	—	—	—	—
Lifetime/permanent/ don't replace	—	—	11.1	33.3	—	—
Don't know/can't estimate	24.0	—	—	—	—	—

Source: *Chain Store Age Executive research*

Types of ceilings used

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
12x12 concealed spline	—	—	10.0	66.6	25	10
2x4 lay-in panels	100.0	100.0	100.0	66.6	100	75
2x2 lay-in panels	33.3	42.9	63.6	100.0	25	50
Tegular 2x4 lay-in panels	—	20.0	—	33.3	—	25
Tegular 2x3 lay-in panels	—	—	—	—	—	—
Plaster	—	—	27.3	66.6	25	25
Acoustical	40.0	14.3	45.5	33.3	—	15
Other	20.0	14.3	—	33.3	25	—
Don't know/no answer	—	—	10.0	—	—	—

Source: *Chain Store Age Executive research*

and made the store more contemporary, gave them a less serious feel."

The inlaid panels on the side of the store were created out of a ribbed glass block tile covered with stipples. Stipples are a wavy style similar to the glass that old Coke bottles are made of.

Baylog says she chose this style because it has a more high class look than Integrated Ceilings' other styles.

The main ceiling that runs throughout the Accessory Lady stores is an acoustical product called Second Look from USG.

This product is pre-painted and prefinished to fit in with the other ceiling patterns.

This portion of the ceiling was dropped down over the cash and showcase areas to attract attention to the station and to be decorative.

Over this area the ceiling also has a wood crown molding decorative trim, an element present throughout the store.

Incandescent lighting is recessed to provide lighting without appearing too functional.

"The idea was to break up the space of a long and narrow store, bring attention to showcases and bring light down to acceptable level," Baylog says.

Accessory Lady's ceilings are at 12 ft., which is not appropriate for cash registers. The decorative ceilings brought the height to 8 ft.

Most Accessory Lady stores are approximately 80 ft. long by about 25 ft. wide.

The third type of lighting created by Melville was a baffling effect running along the perimeter of the store with a Magna band.

Baylog then placed lights above this design to illuminate the side walls.

"This technique creates a decorative image for the ceiling and separates it from the walls," Baylog says.

The remodeling of one Accessory Lady store takes approximately three to four months. The back portion of the store required most of the time of the project. ■

TOTAL-SYSTEM REVAMP IS BEST

PATCH UPS ARE COSTLY

Heilig Meyers' approach to revamping its HVAC systems is that sometimes it is better to replace all components than to patch up part of an existing configuration.

The Richmond, Va.-based consumer electronics and furniture store has adopted the policy because it has found that often a new unit in an old configuration simply does not work.

"Sometimes a small component can cause a large unit to fail. For example, a new compressor could cause other parts to go bad because the new compressor would put pressure on the rest of the system," says Stanley Prince, assistant vp of corporate expansion in charge of construction.

In addition, Prince says, the difference between the price of one major piece of equipment and an entirely new system can be negligible.

Prince says that replacing a compressor sometimes costs nearly as much as replacing an entire unit. If the other components are old, it makes more sense.

"You have to look at the short term picture as well as the long-term picture," he says.

The warranty available on a package usually will be substantially better than what a store will get on a single unit.

For example, the warranty that comes with the purchase of a compressor could last for only one year, but if the equipment is purchased in conjunction with a condensing unit, the two together may be covered for five years.

The chain typically renovates when it first purchases a store or leases a business or a building. At that point it evaluates the condition of the equipment.

Prince says that he works primarily with York, Pa.-based York International. He finds it advantageous to buy consistently from one vendor because he can better anticipate his costs.

The quality level at York also sold Heilig on its machines. Prince says that York still uses some of the traditional types of manufacturing that he prefers.

Old fashioned advantage: Some vendors use aluminum for evaporator and condensing coils in air conditioning and heat pumps, while York uses copper. Prince prefers copper because it is easier and less expensive to fix.

"Aluminum is less expensive to fabricate, but it does not last as long and is harder to fix," Prince explains. "It is easier to solder copper than to solder aluminum, and it is difficult to find someone with the technical finesse to make repairs on aluminum. You usually have to replace the coil," he says.

He says that York provides more sophisticated controls, such as microprocessor panel boards. These controls are more reliable and energy efficient than relay equipment, Prince says.

"York has a nice balance between old and new," says Prince. "Other manufacturers have it too, but we have found that they provide a good product."

The type of equipment that Heilig buys depends on where the store is located. But the evolutionary process for all stores begins when Prince calls a contractor to ask evaluation of the current equipment's condition.

In order to decide if they should put new equipment in a store, Heilig assembles its costs and the contractor calculates prices for peripheral and labor. A typical store configuration is four pieces of equipment for an 18,000-20,000-sq.-ft. store.

Cost per square foot for HVAC

	Discount %	Drug %	Super-market %	Depart-ment %	Home Center %	Apparel Specialty %
Less than $.10	—	—	—	—	—	—
$0.10-$0.14	—	—	—	—	5.0	—
$0.15-$0.25	—	—	—	—	—	—
$0.26-$0.50	—	—	—	—	—	—
$0.51-$0.75	20	—	—	10	20.0	—
$0.76-$1.00	—	—	37.5	—	15.0	—
$1.01-$2.00	40	25	37.5	40	20.0	40
More than $2.00	10	75	25.0	40	40.0	20
All other mentions	—	—	—	—	—	—
Don't know/no answer	30	—	—	10	—	40

Source: Chain Store Age Executive research

This includes a five-, a seven- and a 10½-ton cooling system made up of heat pumps or gas packs (rooftop systems have gas-fired heat or an electric air conditioner).

Prince prefers to buy multiple, smaller systems, no larger than 10 tons for any one piece. The average store requires an average 35 tons of cooling.

Multiple units offer a certain amount of insurance. If a store has multiple pieces and one compressor breaks, business is not as radically affected as if there were one compressor controlling the whole store. Also, replacing or fixing a 10-ton compressor is a lot cheaper than mending a 35-ton unit.

Energy management: The other of system that Prince buys when he is revamping is a split system. To control all of its various units, Heilig Meyers has installed an energy management system that Prince claims is saving the chain 10%-15% in the 52 stores that have it. By the end of the year, 25 more stores will have the systems in place.

Each store that has an energy management system has a Honeywell Model 7505 and a modem that allows headquarters to communicate by phone from a personal computer.

W.A. Brown, a distributor and consulting firm in North Carolina, assembled all of the systems. In addition, the firm trained and supports Heilig employees. Heilig then hires a contractor to install the units along with a follow-up visit by W.A. Brown.

When the retailer ran its test program with the energy management system, the three stores showed a 15%-20% savings. Prince estimates that he recoups his investment in the average system in two years.

Heilig plans to fine-tune its installation process and then evaluate the price to determine whether or not to install the system in more stores.

"We started out with the energy hogs and are working down the list," explains Prince. "We want to refine installation costs so that we can get to as many stores as makes financial sense."

Among the things that the system does for Heilig Meyers is control temperature and energy consumption. The unit has a sensor instead of a thermostat in various zones within its stores. The system can be programmed to keep each zone at a certain temperature.

It also distributes the drain on the various HVAC machines so that all machines are not running at any one time. This is important, says Prince, because some energy companies charge retailers based on maximum usage.

"If you are using all machines at one time your demand level will be very high and could affect your costs for the entire year," explains Prince.

Central control: To modify the temperature in each store, managers are instructed to call headquarters so that adjustments may be made via the phone lines. However, if a manager wants to make a minor change in temperature, he can do that at store level.

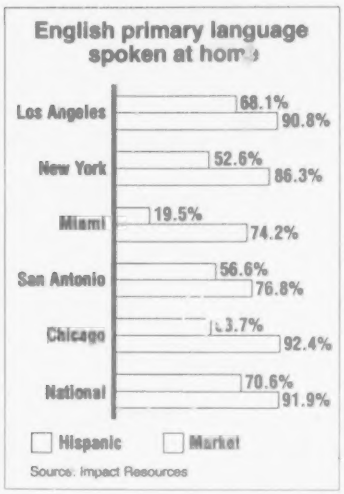
"We encourage the managers to allow us to make the changes so that we can track each store's equipment," says Prince.

Prince advises retailers to choose carefully when selecting an energy management system. He spent a year and a half evaluating the concept and choosing a system that best fits Heilig's needs.

"It is like anything else," he says. "One size doesn't fit all." ■

HISPANICS: YOUNG AND MEDIA-CONSCIOUS

MULTI-FACETED POPULATION BUYERS BY SPECIFIC MARKETS



Almost 60% of Hispanic consumers are between the ages of 18 and 34, whereas only 40% of the total population falls into this group. . . . **55.5% of Hispanic** consumers have three or more persons in their household, and 45.4% of Hispanic households have persons under 18 years of age. . . . **Watching TV/cable** is the most common leisure time activity for Hispanics (64.1%). The second most popular activity is listening to music (60.4%). . . . **Renting videos** is more common among Hispanic consumers than the total population (27% vs. 20.6%). . . . **Convenience store shopping** is more frequent among Hispanics (19.5%) than the total population (13.8%). . . . **Within the next year,** Hispanic consumers are more likely than the total population to be planning the purchase of cars/trucks, TVs/VCRs, stereo equipment, a house/land and home computers. . . . **Department store preferences** are 17% fewer among Hispanics than the total population. . . . **Men are shoppers** more often in the Hispanic community. Men comprise 54.7% of Hispanic consumers, whereas the majority of the total population is female (52.4%). . . . **Average household income** for Hispanic consumers is $27,600, significantly less than that of the total population's average income of $32,100. . . . **Married Hispanic consumers** are 29% more likely than married total population consumers to have a dual income. . . . **Public transportation** is twice as likely to be used by Hispanics than the general population. . . . **Hispanic consumers** are 33% less likely than the general public to use the Sears credit card. . . . **When compared to** the total population, Hispanics are more likely to drive a car more than five years old (42.7% vs. 37.1%). . . . **58% of Miami's** Hispanic consumers are married while only 31% of New York area Hispanics are. . . . **42% of Miami** Hispanic households are dual income while less than 25% of New York's are. . . . **21.1% of Hispanic teens** are likely to be the primary grocery shopper compared to 16.4% of all teens.

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*Impact Resources is a consumer information company that provides media and retail businesses in-depth local consumer information in a timely fashion. The basis of the company's product is a research methodology called MA*RT, an acronym for Market Audience-Readership Traffic.*

Hispanic shoppers: Fewer trips to the grocery

	Los Angeles		New York		Miami		San Antonio		Chicago		National	
	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	All
>once/week	14.9%	25.6%	20.8%	26.9%	11.1%	21.1%	17.3%	19.9%	13.0%	20.8%	17.7%	22.5%
once/week	45.2	44.1	38.0	39.2	44.1	39.4	39.3	40.2	37.1	42.6	39.9	43.9
2-3/week	9.2	9.2	7.0	7.9	8.4	7.3	14.2	14.3	8.2	10.5	11.8	10.3
once/mo.	2.5	2.9	2.3	3.1	3.8	3.1	7.5	6.3	3.6	3.5	4.0	3.7
<once/mo.	1.0	0.7	0.7	0.9	0.6	0.3	0.2	0.2	0.1	1.3	0.6	0.8
Never	2.3	1.8	2.2	3.0	0.7	0.5	1.1	0.9	3.4	2.8	2.2	1.8
No answer	23.9	15.7	29.0	19.0	31.3	28.3	20.4	18.2	24.6	18.2	23.8	17.0

Media habits: Average minutes spent per weekday

	Los Angeles		New York		Miami		San Antonio		Chicago		National	
	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	Mkt.	Hisp.	All
Radio	202.1	161.0	157.4	153.8	154.1	152.7	181.8	164.5	219.5	179.8	203.3	179.2
TV	171.4	162.6	170.2	172.0	165.2	179.4	217.0	204.1	195.4	195.9	195.6	183.3
Newspaper	40.8	40.8	33.8	39.2	39.5	42.9	41.6	41.9	37.7	41.7	39.9	41.5

Source: Impact Resources

SALES

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J. C. Penney†	3,408,000	+ 4.0	3,408,000	+ 4.0
Sears, Roebuck & Co.	6,755,200	+ 11.9	6,755,200	+ 11.9
Composite	10,163,200	+ 9.1	10,163,000	+ 9.1
DEPARTMENT STORES				
Carson Pirie Scott†	209,095	+ 5.1	209,095	+ 5.1
Carter Hawley Hale*2	595,352	+ 9.0	2,162,758	+ 6.9
Dillard	598,065	+ 15.6	598,065	+ 15.6
Gottschalks*	43,360	+ 22.3	43,360	+ 22.3
Jacobson's	86,423	+ 11.2	86,423	+ 11.2
May†	2,575,000	+ 24.1	2,575,000	+ 24.1
Mercantile	478,563	+ 2.9	478,563	+ 2.9
Neiman-Marcus Group*3	342,552	+ 23.9	1,123,323	+ 18.3
Nordstrom	512,159	+ 18.5	512,159	+ 18.5
Strawbridge & Clothier	190,530	+ 4.2	190,530	+ 4.2
Composite	5,631,199	+ 23.5	7,979,276	+ 19.0
DISCOUNT STORES				
Ames*	1,112,000	+125.1	1,112,000	+125.1
Consolidated	131,609	+ 3.3	131,609	+ 3.3
Dayton Hudson	2,826,000	+ 11.1	2,826,000	+ 11.1
Hills*	397,940	+ 25.0	397,940	+ 25.0
Jamesway	263,488	+ 15.2	782,504	+ 11.6
K mart	6,068,200	+ 3.9	6,068,200	+ 3.9
Rose's	327,490	+ 6.2	327,490	+ 6.2
Wal-Mart	5,373,260	+ 25.5	5,373,260	+ 25.5
Composite	16,398,417	+ 17.6	16,398,417	+ 17.6
SHOE/SPECIALTY CHAINS				
Brown Group†	436,551	+ 10.2	436,551	+ 10.2
Genesco	104,960	+ 3.1	104,960	+ 3.1
Melville	1,529,097	+ 9.7	1,529,097	+ 9.7
U.S. Shoe	571,819	+ 8.4	571,819	+ 8.4
F. W. Woolworth	1,877,000	+ 9.1	1,877,000	+ 9.1
Composite	4,519,427	+ 9.1	4,519,427	+ 9.1
APPAREL CHAINS				
Casual Male*	19,788	+ 24.9	19,788	+ 24.9
Charming Shoppes	172,348	+ 14.8	172,348	+ 14.8
Deb Shops	41,540	+ 4.3	41,540	+ 4.3
Designs	12,166	+ 24.0	12,166	+ 24.0
Gantos	52,040	+ 46.5	52,040	+ 46.5
The Gap*	309,925	+ 28.4	309,925	+ 28.4
Paul Harris	46,938	+ 27.4	46,938	+ 27.4
The Limited	964,617	+ 18.9	964,617	+ 18.9
Merry-Go-Round	73,919	+ 39.2	73,919	+ 39.2
Petrie*	279,137	+ 7.0	279,137	+ 7.0
Composite	1,972,418	+ 19.2	1,972,418	+ 19.2
OFF-PRICE APPAREL				
Banker's Note	9,783	– 3.9	9,783	– 3.9
Burlington Coat[2]	135,287	+ 21.5	416,943	+ 22.6
Clothestime*	41,186	+ 9.0	41,186	+ 9.0
Dress Barn[3]	59,765	+ 24.1	183,564	+ 23.3
Ross	153,906	+ 18.2	153,906	+ 18.2
S&K	12,421	+ 9.8	12,421	+ 9.8
Syms	60,467	+ 3.8	60,467	+ 3.8
TJX	466,372	+ 17.6	466,372	+ 17.6
Composite	939,187	+ 16.8	1,344,642	+ 18.6
WAREHOUSE WHOLESALE CLUBS				
Pace Membership*	318,619	+ 36.4	318,619	+ 36.4
Warehouse Club*2	62,194	+ 10.0	136,858	+ 11.0
Wholesale Club	107,379	+ 39.1	107,379	+ 39.1
Composite	488,192	+ 32.9	562,856	+ 29.7

EARNINGS

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J. C. Penney†	148,000	+ 13.0	148,000	+ 13.0
Sears, Roebuck & Co.*	33,800	+ 80.7	33,800	+ 80.7
Composite	181,800	+ 21.4	181,800	+ 21.4
DEPARTMENT STORES				
Carson Pirie Scott†	(11,046)	n/a	(11,046)	n/a
Carter Hawley Hale*3	(3,235)	n/a	14,720	– 11.2
Dillard	19,582	+ 22.2	19,582	+ 22.2
Gottschalks*	591	– 18.5	591	– 18.5
Jacobson's	2,077	+ 14.1	2,077	+ 14.1
May†	63,000	+ 5.0	63,000	+ 5.0
Mercantile	27,031	– 2.6	27,031	– 2.6
Neiman Marcus Group*3	4,699	+ 37.1	28,477	– 4.2
Nordstrom	22,973	+ 19.6	22,973	+ 19.6
Strawbridge & Clothier	1,599	– 25.7	1,599	– 25.7
Composite	127,231	+ 4.7	168,964	+ 0.1
DISCOUNT STORES				
Ames*	(19,036)	n/a	(19,036)	n/a
Consolidated	(1,087)	n/a	(1,087)	n/a
Dayton Hudson	40,000	+ 29.0	40,000	+ 29.0
Hills*	(16,390)	n/a	(16,390)	n/a
Jamesway	(1,139)	n/a	(1,139)	n/a
K mart	94,100	– 22.1	94,100	– 22.1
Rose's	4,627	– 26.4	4,627	– 26.4
Wal-Mart	198,289	+ 29.1	198,289	+ 29.1
Composite	299,364	– 3.5	299,364	– 3.5
SHOE/SPECIALTY CHAINS				
Brown Group†	7,314	– 15.0	7,314	– 15.0
Genesco	(154)	n/a	(154)	n/a
Melville	24,230	+ 7.9	24,230	+ 7.9
U.S. Shoe	7,693	+148.6	7,693	+148.6
F. W. Woolworth	36,000	+ 2.9	36,000	+ 2.9
Composite	75,083	+ 12.2	75,083	+ 12.2
APPAREL CHAINS				
Casual Male*	(1,380)	n/a	(1,380)	n/a
Charming Shoppes	6,895	+100.7	6,895	+100.7
Deb Shops	871	+ 4.1	871	+ 4.1
Designs	(1,120)	n/a	(1,120)	n/a
Gantos	865	+313.9	865	+313.9
The Gap*	15,053	+ 78.9	15,053	+ 78.9
Paul Harris	(634)	n/a	(634)	n/a
The Limited	45,189	+ 89.4	45,189	+ 89.4
Merry-Go-Round	1,667	+281.5	1,667	+281.5
Petrie*	7,211	+ 10.4	7,211	+ 10.4
Composite	74,617	+ 53.3	74,617	+ 53.3
OFF-PRICE APPAREL				
Banker's Note	185	– 47.9	185	– 47.9
Burlington Coat[2]	2,434	– 0.4	23,954	+ 16.0
Clothestime*	82	n/a	82	n/a
Dress Barn[3]	3,718	+ 22.9	13,660	+ 21.6
Ross	3,404	+1552.4	3,404	+1552.4
S&K	387	+ 6.3	387	+ 6.3
Syms	2,390	– 3.7	2,390	– 3.7
TJX	18,529	+ 2.8	18,259	+ 2.8
Composite	31,129	+ 22.5	62,591	+ 20.8
WAREHOUSE WHOLESALE CLUBS				
Pace Membership*	1,030	+182.2	1,030	+182.2
Warehouse Club*2	(121)	n/a	405	n/a
Wholesale Club	(220)	n/a	(220)	n/a
Composite	689	n/a	1,215	+664.2

N/A not applicable because of loss in either current or comparable period
*before extraordinary items or changes in accounting principles
†continuing operations only
[2]second quarter figures
[3]third quarter figures
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Source: Company reports

SALES

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS				
Best Buy[4]	105,762	– 0.8	506,674	+ 15.4
Blockbuster Ent.	64,570	+200.9	64,570	+200.9
Child World	131,653	+ 10.1	131,653	+ 10.1
Claire's	34,329	+ 52.2	34,329	+ 52.2
Fabri-Centers	74,138	+ 15.7	74,138	+ 15.7
Fretters*	48,459	– 0.9	48,459	– 0.9
General Nutrition*	88,956	+ 7.2	88,956	+ 7.2
Highland Superstores	196,549	+ 8.2	196,549	+ 8.2
House of Fabrics	79,468	+ 6.0	79,468	+ 6.0
Lionel	61,251	+ 18.7	61,251	+ 18.7
Michaels	56,224	+ 27.6	56,224	+ 27.6
Office Depot*	63,510	+191.9	63,510	+191.9
Office Club	29,333	+288.9	29,333	+288.9
Oshman's*†	60,355	+ 7.4	60,355	+ 7.4
Pep Boys—M,M,J	178,327	+ 21.4	178,327	+ 21.4
Pier 1 Imports[4]	111,695	+ 30.8	414,646	+ 26.7
Tandy[3]	943,685	+ 12.5	3,283,299	+ 10.2
Toys "R" Us	767,661	+ 18.6	767,661	+ 18.6
Williams-Sonoma	42,063	+ 21.3	42,063	+ 21.3
Composite	3,137,988	+ 18.1	6,181,465	+ 15.1
SUPERMARKETS				
Albertsons	1,813,162	+ 16.6	1,813,162	+ 16.6
American	5,213,166	+ 44.8	5,213,166	+ 44.8
Big B*	105,630	+ 50.5	105,630	+ 50.5
Giant Food	724,479	+ 10.0	724,479	+ 10.0
Hannaford Bros.*	348,025	+ 26.4	348,025	+ 26.4
Kroger	4,490,776	+ 4.1	4,490,776	+ 4.1
Marsh[4]	206,969	+ 0.6	894,919	+ 5.5
Nash Finch	486,845	+ 9.0	486,845	+ 9.0
Quality Food Centers	59,111	+ 22.7	59,111	+ 22.7
Village Super Mkts.[3]	162,640	+ 7.4	476,524	+ 8.9
Vons	1,181,400	+ 63.4	1,181,400	+ 63.4
Weis Markets	301,503	+ 6.5	301,503	+ 6.5
Winn-Dixie[3]	2,186,911	+ 5.6	6,998,097	+ 2.9
Composite	17,886,399	+ 19.5	23,699,419	+ 14.8
DRUG STORES				
Arbor[3]	73,747	+ 19.2	222,183	+ 21.7
Drug Emporium[4]	112,689	+ 16.8	406,728	+ 26.2
Fay's	131,108	+ 7.1	131,108	+ 7.1
Genovese	113,350	+ 14.3	113,350	+ 14.3
Longs	492,815	+ 9.5	492,815	+ 9.5
Perry*[2]†	159,269	+ 0.5	343,573	+ 2.9
Walgreen[2]	1,476,682	+ 9.3	2,688,356	+ 9.0
Composite	2,559,660	+ 9.4	4,398,113	+ 10.6
HOME CENTERS				
Grossman	219,575	+ 7.6	219,575	+ 7.6
Hechinger*	274,870	+ 15.1	274,870	+ 15.1
Home Depot	641,521	+ 43.6	641,521	+ 43.6
Lowe's	602,100	+ 1.9	602,100	+ 1.9
Wolohan Lumber	48,950	+ 15.6	48,950	+ 15.6
Composite	1,787,016	+ 17.4	1,787,016	+ 17.4
SHOPPING CENTER DEVELOPERS				
Federal Realty	20,693	+ 21.5	20,693	+ 21.5
Rouse*	113,111	– 0.1	113,111	– 0.1
Vornado	20,191	+ 25.7	20,191	+ 25.7
Weingarten	14,553	+ 6.1	14,553	+ 6.1
Composite	168,548	+ 4.6	168,548	+ 4.6

EARNINGS

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS				
Best Buy[4]	(2,358)	n/a	2,060	– 25.6
Blockbuster Ent.	6,495	+197.7	6,495	+197.7
Child World	(5,139)	n/a	(5,139)	n/a
Claire's	1,907	n/a	1,907	n/a
Fabri-Centers	524	+948.0	524	+948.0
Fretters*	151	n/a	151	n/a
General Nutrition*	6,064	+ 88.4	6,064	+ 88.4
Highland Superstores	(8,518)	n/a	(8,518)	n/a
House of Fabrics	1,339	+ 49.5	1,339	+ 49.5
Lionel	(3,596)	n/a	(3,596)	n/a
Michaels	408	+ 50.0	408	+ 50.0
Office Depot*	1,544	+217.7	1,544	+217.7
Office Club	(201)	n/a	(201)	n/a
Oshman's*†	(1,637)	n/a	(1,637)	n/a
Pep Boys—M,M,J*	7,626	+ 21.4	7,626	+ 21.4
Pier 1 Imports[4]	4,882	+ 65.3	21,850	+ 35.9
Tandy[3]	66,680	+ 4.0	266,639	+ 2.9
Toys "R" Us	27,149	+ 20.6	27,149	+ 20.6
Williams-Sonoma	288	+569.8	288	+569.8
Composite	103,608	+ 21.3	324,953	+ 9.2
SUPERMARKETS				
Albertsons	44,391	+ 25.2	44,391	+ 25.2
American	21,515	– 20.5	21,515	– 20.5
Big B*	2,254	+ 1.3	2,254	– 1.3
Giant Food	26,525	+ 29.3	26,525	+ 29.3
Hannaford Bros.*	8,577	+ 19.1	8,577	+ 19.1
Kroger	(18,971)	n/a	(18,971)	n/a
Marsh[4]	1,599	+ 29.3	8,518	+ 8.9
Nash Finch	1,803	– 45.7	1,803	– 45.7
Quality Food Centers	1,979	+ 61.6	1,979	+ 61.6
Village Super Mkts.[3]	866	– 12.4	3,769	– 6.9
Vons	(13,400)	n/a	(13,400)	n/a
Weis Markets	20,399	+ 7.1	20,399	+ 7.1
Winn-Dixie[3]	– 37,435	+ 30.6	92,219	+ 28.5
Composite	135,082	– 26.0	199,688	– 15.7
DRUG STORES				
Arbor[3]	1,965	+ 50.2	6,694	+ 35.8
Drug Emporium[4]	3,091	+ 73.4	7,981	+ 76.0
Fay's	1,355	+ 47.9	1,355	+ 47.9
Genovese	1,119	– 2.7	1,119	- 2.7
Longs	14,432	+ 8.7	14,432	+ 8.7
Perry*[2]†	722	+220.9	4,930	+136.3
Walgreen[2]	57,301	+ 20.6	82,027	+ 23.7
Composite	79,985	+ 20.9	118,538	+ 27.2
HOME CENTERS				
Grossman	(7,442)	n/a	(7,442)	n/a
Hechinger*	7,303	– 17.3	7,303	– 17.3
Home Depot	25,928	+ 34.7	25,928	+ 34.7
Lowe's	14,600	– 3.3	14,600	– 3.3
Wolohan Lumber	854	+ 5.3	854	+ 5.3
Composite	41,243	+ 18.4	41,243	+ 18.4
SHOPPING CENTER DEVELOPERS				
Federal Realty	1,393	– 37.4	1,393	– 37.4
Rouse*	1,847	– 77.1	1,847	– 77.1
Vornado	1,735	– 39.1	1,735	– 39.1
Weingarten	4,229	– 57.2	4,229	– 57.2
Composite	9,204	– 60.0	9,204	– 60.0

N/A not applicable because of loss in either current or comparable period
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[2]second quarter figures
[3]third quarter figures
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Source: Company reports

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FINANCE

DISCOUNT STORE SLUMP CONTINUES

Most retailers continued their less-than-the-rise-of-inflation sales performance in May. Though there were notable exceptions, the majority, including most of the discount store industry, underperformed again.

K mart executives disclaim any impact from the everyday low pricing program at Sears. The discounter's sales slump began before Sears initiated its new program in March and has continued even as the sales momentum at Sears has seemingly dissipated. In May Sears managed just a 3.1% same-store sales increase.

Wal-Mart continued to defy the discount industry norm. It pulled in a double-digit same-store sales boost. But Target attained just a 4% increase, while Caldor was up 3.1%, Hills ahead 2.2%, Ames 0.4%, while Venture dipped 2.8%.

Specialty stores turned in the most above-par sales records, though the performances at The Limited and The Gap trailed their year-to-date results.

The most notable achievement came from Claire's Stores, which produced a whopping 56% increase in same store sales. The accessories chain has been on a roll for 10 months and, though it was comparing sales to a weak period a year ago, its sales gain has been startling. Claire's also was aided by an overall strong market for accessories.

Department stores registered mixed results. May Co.'s department stores had an 8.3% same-store sales increase, just ahead of Dayton Hudson's 8%. Carter Hawley Hale beat inflation at 6.4%, but Gottschalks, at 3.8%, and Mercantile, at 0.9%, did not. Specialty department store Neiman-Marcus Group had a 12.4% hike.

Company	May '89 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Sears	$2,502,480	+ 5.3	+ 3.1	$10,117,676	- 9.7	+ 6.6
Penney	1,095,000	+ 2.1	0.3	4,436,000	+ 4.5	+ 1.9
Ward	357,569	+ 3.5	+ 3.0	1,374,434	+ 7.0	+ 6.1
Woolworth	625,000	+ 7.7	+ 4.0	2,501,000	+ 7.8	+ 3.7
Melville	536,500	+ 13.5	n/r	2,572,500	- 12.8	n/r
K mart	2,193,078	+ 2.5	0.6	8,263,284	- 3.5	n/c
Wal-Mart	2,033,000	+ 25.0	+ 11.0	7,406,000	+ 25.4	+ 11.0
Dayton Hudson	940,000	+ 16.0	+ 6.1	3,700,000	- 12.5	+ 5.5
Ames	390,000	+ 120.3	+ 0.4	1,500,000	- 123.5	+ 0.5
Hills	142,322	+ 30.6	+ 2.2	539,800	- 26.4	+ 3.0
Rose's Dollar General	46,400	+ 1.3	+ 1.5	171,600	- 3.1	+ 3.7
Jamesway						
May	889,600	- 7.0	+ 5.0	3,464,000	- 19.2	+ 5.5
Carter Hawley Hale	192,900	- 7.3	+ 6.4	2,355,700	- 7.0	+ 6.0
Gottschalks	11,900	- 16.7	+ 3.8	55,300	- 21.3	n/r
Mercantile	161,944	- 1.8	+ 0.9	645,331	- 2.7	+ 2.0
Neiman-Marcus Group	108,900	- 22.6	+ 12.4	n/r	n/r	n/r
The Limited	310,700	- 8.9	+ 11.0	1,275,000	- 16.3	+ 13.0
The Gap	109,000	- 26.7	+ 15.0	419,000	- 28.1	+ 18.0
Ross	56,000	- 19.1	+ 12.0	212,000	- 18.4	+ 11.0
Circuit City	151,900	- 25.5	+ 3.0	408,800	- 25.4	+ 5.0
Claire's	11,930	- 78.6	+ 56.0	46,210	- 58.0	+ 38.0
Best Buy						
Walgreen	454,257	- 12.4	+ 11.8	2,199,225	- 10.5	+ 9.4

N/R = not reported
N/C = no change

Source: Company reports